

# Arizona State Board for Charter Schools

## Guide to Charter Renewal



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## **I. CHARTER RENEWAL OVERVIEW**

Authorized by Arizona Revised Statute, Title 15, Chapter 1, Article 8, effective September 16, 1994, charter schools are public schools that were established to provide a learning environment that will improve pupil achievement and provide additional academic choices for parents and pupils.

Pursuant to A.R.S. §15-183(I), a new charter is effective for 15 years. At least 18 months before the charter's expiration, the Board must notify the Charter Holder that the Charter Holder may apply for renewal and must make available the Charter Holder's renewal application. The Board customizes each renewal application based upon a Charter Holder's performance history.

In implementing its oversight and administrative responsibilities, the Board grounds its actions in evidence of the Charter Holder's performance in accordance with the performance framework adopted by the sponsor (A.R.S. § 15-183(R)). The Academic Performance Framework adopted by the Board includes the academic performance expectations set by the Board and the measurement of sufficient progress toward the expectations and the Financial Performance Framework adopted by the Board includes the financial performance expectations set by the Board and the requirements for submitting a financial performance response when the Charter Holder's financial performance does not meet the expectations set by the Board. A Charter Holder that meets the Board's performance expectations under a performance framework will be waived from submitting additional information regarding that performance area as part of its renewal application package. Additionally, the Board has adopted an Operational Performance Framework that includes the operational performance expectations. The operational performance expectations require alignment of officers, directors, members and partners of the Charter Holder on record as part of the charter contract with Arizona Corporation Commission submissions. A Charter Holder that meets that requirement will be waived from submitting additional information regarding organizational alignment.

A Charter Holder that chooses to submit a renewal application package must do so at least 15 months before the charter's expiration. If a Charter Holder chooses not to apply for renewal, then the charter expires at the end of the contracted term.

The Charter Holder will be notified at least 12 months prior to the charter's expiration if the charter will not be renewed. The Board may deny the request for renewal if, in its judgment, the Charter Holder has failed to meet or make sufficient progress toward the Board's Academic Performance Expectations, meet the Board's Operational Performance Expectations, complete the obligations of the contract, or comply with all applicable laws. If the Board does not renew the charter, then the charter expires at the end of the contracted term.

If the Board renews the charter, the renewal charter contract is for a term of 20 years.

A.R.S. §15-183(I)(2) allows a Charter Holder to apply for early renewal. The Board has adopted a policy that establishes the eligibility criteria to qualify to apply for early renewal.

## **II. EARLY RENEWAL**

A.R.S. § 15-183(I)(2) allows a charter operator to seek the opportunity to apply for early renewal by submitting a letter of intent to the sponsor to apply for early renewal at least nine months before the Board's intended renewal consideration of the charter.

According to the Board's Eligibility to Apply for Early Renewal of a Charter Contract Policy Statement, a Charter Holder may submit a letter of intent to apply for early renewal to the Board no later than 21 months prior to the original contract expiration date. Within 15 business days of receipt of a Charter Holder's timely letter of intent to apply for early renewal, the Board shall review those items described in statute to determine whether the applicant is eligible to apply for early renewal and provide qualified Charter Holders with an early renewal application.

An applicant qualifies to apply for early renewal if:

- The applicant has been operating schools under the charter for at least five years;
- The applicant is waived from submitting the Academic Performance Section of the renewal application;
- The applicant is waived from submitting the Detailed Business Plan Section of the renewal application; and
- Within the last 5 years, the applicant did not have any compliance matters that required action by the Board or other government agencies.

An applicant who is eligible to apply for early renewal shall submit the early renewal application no later than 1 month after the Charter Holder receives notification of its eligibility to apply for early renewal. An applicant who does not submit an application for early renewal within 1 month of notice of eligibility and who wishes to apply for early renewal shall resubmit the letter of intent to apply for early renewal and the Board shall reevaluate the applicant's eligibility to apply for early renewal.

### **III. RENEWAL ELIGIBILITY AND APPLICATION REQUIREMENTS**

A Charter Holder becomes eligible to apply for renewal 18 months before the charter expires. Renewal application requirements are based upon the Charter Holder's performance record in relation to criteria outlined in the Academic Performance Framework and Guidance and Financial Performance Framework and Guidance documents, and the alignment of officers, directors, members and partners of the Charter Holder on record as part of the charter contract with Arizona Corporation Commission submissions.

At least 18 months before the charter expires, Board staff will notify the Charter Holder with a notification letter via email of eligibility to apply for renewal, and the availability the Charter Holder's customized Renewal Application. For this reason, it is important for the Charter Holder to have a charter representative with a current email address on record with the Board. A summary review of the Charter Holder's performance record over the term of the charter will be included with the notification.

The Charter Renewal Application will require a Charter Holder that is not meeting identified performance standards to submit additional information.

- A Charter Holder will be required to complete the academic performance section of the charter renewal application if the Charter Holder operates one or more schools that received an overall rating of "Does Not Meet", "Falls Far Below", or "No Rating" on their Academic Dashboard for the most recent fiscal year for which academic performance data is available.
- A Charter Holder will be required to complete the financial performance section of the charter renewal application if the Charter Holder does not meet the Board's Financial Performance Expectations.
- A Charter Holder will be required to complete the organizational membership section of the application if the Charter Holder's officers, directors, members and partners reflected in the contract do not match the current documents on file with the Arizona Corporation Commission (ACC).

#### **IV. COMPONENTS OF THE RENEWAL APPLICATION**

The Charter Renewal Application is available as an online form on ASBCS Online for eligible charter holders. A Charter Renewal Application consists of two sections: Academic Performance and Detailed Business Plan.

##### ***Academic Performance Section***

This section of the renewal application addresses the success of the academic program. A Charter Holder that operates one or more schools that receive an overall rating of “Does Not Meet”, “Falls Far Below”, or “No Rating” on their most recent fiscal year Academic Dashboard will be required to submit required information that demonstrates the Charter Holder is making sufficient progress toward meeting the Board’s academic performance expectations in the form of a Demonstration of Sufficient Progress (DSP) report and site visit.

The dashboard representation of the Charter Holder’s academic performance, based upon the indicators and measures adopted by the Board, is available through ASBCS Online. Instructions for accessing the academic dashboard are as follows:

- Log onto ASBCS Online
- Select the “School(s)” link under the Charter Holder heading
- Choose a school name if your charter has more than one school site
- Select the “Academic Performance” tab

For more information on preparing a DSP Report, preparing for a DSP site visit, and the criteria Board staff will use to evaluate the DSP, see Appendix E of the Board’s [Academic Performance Framework and Guidance](#) and the [Board’s website](#).

**NOTE:** *All responses will be available for public review. If references will be made to or include any sensitive information (e.g., student names), redact all student identifying information prior to submission.*

##### ***Detailed Business Plan Section***

This section consists of the organizational membership and financial sustainability portions of the charter renewal application.

###### **Organizational Membership**

A Charter Holder whose officers, directors, members and partners reflected in the contract do not match the current documents on file with ACC will be required to complete the organizational membership section of the application. A Charter Holder that is required to submit an organizational membership response is required to submit documentation that demonstrates the Charter Holder has taken action to reconcile discrepancies in the organizational membership on file with ASBCS and ACC.

###### **Financial Sustainability**

A charter holder that does not meet the Board’s financial performance expectations will be required to complete the Financial Sustainability section of the renewal application and submit a financial performance response. This information will be used by the Board when it considers whether to grant the charter holder a renewal charter contract. At the time of consideration of renewal by the Board, the most current audit information will be provided.

The dashboard representation of the Charter Holder’s financial performance, based upon the indicators and measures adopted by the Board, is available through ASBCS Online.

Instructions for accessing the financial dashboard are as follows:

- Go to <http://online.asbcs.az.gov><sup>1</sup>
- Under the “Search” option, select “Charter Holders”
- Enter part or all of the charter holder name and click “Search”
- Select the applicable charter holder from the search results
- Select the “Performance” tab

For more information on preparing a financial performance response and the criteria Board staff will use to evaluate the response, see Appendix C of the Board’s [Financial Performance Framework and Guidance](#) and the additional resources available under “Financial Performance Response” on the [Board’s website](#).

**NOTE:** All responses will be available for public review. If references will be made to or include any sensitive information (e.g., bank account numbers), redact that information prior to submission.

## **V. RENEWAL APPLICATION INSTRUCTIONS**

### ***A. Preparation Instructions***

1. Familiarize yourself with the requirements of the charter renewal application. The requirements for the charter renewal application are contained within the Charter Holder’s renewal application form. To access the form:
  - Log in to your ASBCS online account using the Charter Representative’s user name (email address) and password. <http://online.asbcs.az.gov/>
    - If you do not remember your password, locate the “Forgot Password” icon on the log in page and click it to reset your password. You will receive an email from the ASBCS System Administrator ([charterschoolboard@asbcs.az.gov](mailto:charterschoolboard@asbcs.az.gov)) with instructions.
  - Once logged into the system, you will be taken to the Dashboard.
  - On the Dashboard, choose the Charter Holder’s section or tab and click on Charter Holder Name.
  - On the gray toolbar above the words Dashboard, place the cursor over the words Charter Holder. Select “Submit Form” link under the “Charter Holder” heading.
  - Select the “Renewal Application” form under the “Applications” heading.
2. Identify the sections of the renewal application form that require a response.
  - Review the framework and guidance documents for the required sections of the charter renewal application. A section that requires a response includes a description of the required information and a link for adding an attachment to the form.
  - The form and the notification letter will state that the Charter Holder is waived for any sections that do not require a response from the Charter Holder.

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<sup>1</sup> Do not log into ASBCS online. If you do log into ASBCS online using the Charter Representative’s account, the information will be located in the Charter Holder’s Detailed Information section under the “Performance” tab.

- A Charter Holder that is required to submit a DSP for the Academic Performance section of the charter renewal application should consult the DSP Instructions and online technical assistance provided on the Board's website.
  - To locate and download the instructions for completing a DSP:
    - Go to the Board's website (<http://asbcs.az.gov>)
    - Under "For Charter School Operators", click on "Performance Expectations and Reviews"
    - Select the "Academic Interventions" tab
    - Scroll down to locate the DSP section
    - Locate and download the instructions, template, and applicable appendix
    - Locate and watch any applicable Online Technical Assistance presentations
- A Charter Holder that is required to submit a Financial Performance Response for the Detailed Business Plan section of the charter renewal application should consult Appendix C of the Board's Financial Performance Framework and Guidance.
  - Go to the Board's website (<http://asbcs.az.gov>)
  - Under "For Charter School Operators", click on "Performance Expectations and Reviews"
  - Select the "Financial Performance" tab
  - Locate and download the Financial Performance Framework and Guidance
- A Charter Holder that is required to submit an organizational membership response is required to submit documentation that demonstrates the Charter Holder has taken action to reconcile discrepancies in the organizational membership on file with ASBCS and ACC.
  - To check the organizational membership on file with the Board:
    1. Log in to your ASBCS online account using the Charter Representative's user name (email address) and password. <http://online.asbcs.az.gov/>
      - If you do not remember your password, locate the "Forgot Password" icon on the log in page and click it to reset your password. You will receive an email from the ASBCS System Administrator ([charterschoolboard@asbcs.az.gov](mailto:charterschoolboard@asbcs.az.gov)) with instructions.
    2. Once logged into the system, you will be taken to the Dashboard.
    3. On the Dashboard, choose the Charter Holder's section or tab and click on Charter Holder Name.
    4. Select the "Board" tab on the tool bar.
    5. Make note of the officers, directors, members, or partners listed.
  - To check the organizational membership on file with ACC:
    1. Go to the [Arizona Corporation Commission website](#)
    2. Click "Corporate Records" on the right side of the page
    3. Click "Business Entity Search" on the left side of the page
    4. Type the Charter Holder name in the search bar at the top of the page
    5. Select the Charter Holder from the list
    6. Make note of the officers, directors, members, or partners listed.



If the officers, directors, members, or partners reflected on ASBCS Online do not match the current members on file with ACC, the Charter Holder must either:

1. Correct the information on file with ASBCS by completing and submitting the appropriate notification request through the amendment process,
2. Correct the information on file with ACC by completing and submitting the appropriate filing with ACC, or
3. Both correct the information on file with ASBCS and ACC

The Charter Holder must provide evidence of the appropriate filing(s) for the renewal application; consider providing a screenshot of the completed filing, a notification that the filing has been received or processed, or a notification that the information has been updated.

3. Complete each of the required sections of the Renewal Application. Refer to the instructions and technical guidance documents for the specific requirements and evaluation criteria for each required sections of the Renewal Application.
4. Review each section of the Renewal Summary Review document included with the notification letter. Make note of any Charter/Legal Compliance and Audit Compliance issues listed in the Renewal Summary Review. Prepare information regarding any compliance issues that the Board may wish to discuss when considering the Charter Holder's renewal application.

#### *B. Submission Instructions*

1. Log in to your ASBCS online account using the Charter Representative's user name (email address) and password. <http://online.asbcs.az.gov/>
  - If you do not remember your password, locate the "Forgot Password" icon on the log in page and click it to reset your password. You will receive an email from the ASBCS System Administrator ([charterschoolboard@asbcs.az.gov](mailto:charterschoolboard@asbcs.az.gov)) with instructions.
2. Once logged into the system, you will be taken to the Dashboard.
3. On the Dashboard, choose the Charter Holder's section or tab and click on Charter Holder Name.
4. On the gray toolbar above the words Dashboard, place the cursor over the words Charter Holder. Select "Submit Form" link under the "Charter Holder" heading.
5. Select the "Renewal Application" form under the "Applications" heading.
6. Upload the required information to the appropriate section of the charter renewal application
  - If the Charter Holder is required to submit a DSP for the Academic Performance section of the charter renewal application:
    - Click on the "Add a new attachment" link in the Academic Performance section of the charter renewal application.
    - Click the "Choose File" button
    - Browse to the file and click "Open"
    - In the Brief Description text area, type "CHARTER HOLDER NAME\_ Renewal DSP Report\_ Academic Performance Required Information"
    - Click the "Add Attachment" button

- If the Charter Holder is required to submit a Financial Performance Response for the Detailed Business Plan section:
    - Click on the “Add a new attachment” link in the Charter Holder’s Financial Sustainability section of the charter renewal application.
    - Click the “Choose File” button
    - Browse to the file and click “Open”
    - In the Brief Description text area, type “CHARTER HOLDER NAME\_Renewal\_Financial Performance Response”
    - Click the “Add Attachment” button:
  - If the Charter Holder is required to submit documentation of submission of filings to ASBCS or ACC to reconcile discrepancies in the organizational membership:
    - Click on the “Add a new attachment” link in the Charter Holder’s Organizational Membership section of the charter renewal application.
    - Click the “Choose File” button
    - Browse to the file and click “Open”
    - In the Brief Description text area, type “CHARTER HOLDER NAME\_Renewal\_Organizational Membership Response”
    - Click the “Add Attachment” button:
7. Review all sections of the application. Once all documents have been uploaded to the form, the application is ready for submission. A submitted application cannot be changed. If the application needs to be changed, the submitted form can be withdrawn. If an application is withdrawn, a new application form must be submitted prior to the due date stated in the notification letter.
8. Submit the application. **Renewal application packages must be submitted by 11:59 p.m. MST on the deadline date, which** is identified in the Charter Holder’s Notification Letter. Late submissions will not be accepted. To submit the application:
- Scroll down to the Charter Representative Signature section located at the bottom of the charter renewal application form.
  - Enter the charter representative’s password and click “Sign Form”
  - Click “Submit to ASBCS”

## **VI. AFTER SUBMISSION**

Staff will conduct a site visit following submission of the application package for Charter Holders that were required to submit a DSP. The Charter Holder will be notified of the site visit in an e-mail sent by Board staff. Information regarding site visits is included in the Demonstration of Sufficient Progress Process and Instructions, which are available at <https://asbcs.az.gov/school-resources/academic-performance/academic-interventions>.

Once the application package has been evaluated, Board staff will prepare a staff report that includes the evaluation of the required sections of the Charter Holder’s Renewal Application. This will include evaluations of the Academic Required Information, Financial Performance Response, and Organizational Membership. The staff report also contains a summary of performance and compliance information and information gathered during the site visit, as required. The staff report will also contain information concerning the Charter Holder’s operational performance as evaluated according to the Operational Performance Framework.

The staff report, Renewal Application, and evaluation reports for required sections (Academic, Financial, and Organizational requirements) will be compiled into a Renewal Portfolio presented to the Board for consideration. The Charter Holder will receive a notification e-mail when the Charter Holder's Renewal Application has been scheduled on the Board's agenda.

The day of the Board meeting the Charter Holder should be prepared to address the Board with a brief introductory statement and answer any questions. The Charter Holder should arrange for any staff that are qualified to address questions regarding academic and financial matters to be present.

After considering the Renewal Portfolio and statements made at the meeting, the Board will decide to renew the charter or deny the renewal application. The Charter Holder will receive a letter outlining the next steps, based on the Board's renewal decision.